

DEPARTMENT OF COMMERCE CONVENIENCE CHECKING PROGRAM

July 2003

Convenience Checks are offered by Citibank as a value added product in conjunction with the Purchase Card Program. The Department of Commerce (DOC) Convenience Checking Program was established in 1999 for use when 1) a vendor will not accept purchase orders, SF44s, or the Government Purchase Card and requires payment by cash or check, 2) if a vendor does not have the capability to bill the agency, or 3) for unusual operating conditions in which established payment methods are not feasible. Unlike the purchase card transactions, which are no cost to the government, the Convenience Checking account holder is assessed 1.25% of the face value of each check written and the fee is indicated as a separate line item titled "cash advance fee" on the monthly billing statement.

Convenience Checking Helpful Hints

How to Apply for a Convenience Checking Account

Contact your Agency Program Coordinator (agency contact names on attached list) for approval. The application for Convenience Checking is the same as that used for setting up a Purchase Card account. The set up form can be found on the Commerce Bankcard Center (CBC) web site at <http://www.casc.noaa.gov/bankcard/bankcard.html>

Click on the Forms Tab

Click on Cardholder Set Up form

An Approving Official form is also available. Check writers must have an Approving Official established.

How to Close a Convenience Checking Account

When an account holder leaves the agency or the checks are no longer required, it is important to be sure the account is closed and the remaining checks are destroyed. Guidelines for the steps to close the account may vary among bureaus. The basic steps to be completed are:

- 1) Notify the Approving Official and the Program Coordinator by e-mail or submission of a maintenance account closure form (also found on the CBC web site).
- 2) Destroy the white card and remaining checks. Report remaining check numbers to the Approving Official and Program Coordinator as instructed by your agency.
- 3) The Program Coordinator will notify CBC by form or e-mail to close the checking account in the Commerce and Citibank systems.

Account Limits – A specified single purchase limit and 30-day limit will be established for each check writer. Check writers should be aware of their balances to avoid insufficient check charges. If the required check exceeds the established single purchase limit and/or 30-day limit, discuss with your Approving Official and/or Program

Coordinator how to proceed. Do not write two checks to cover the requirement without approval. Your Approving Official may recommend an alternate method of payment.

Disputes – Check writers do not have dispute rights with Citibank or Visa when writing checks. Any discrepancies or problems will be the responsibility of the account holder or agency to resolve.

Stop Payment – To request a stop payment order, contact Citibank at 1-800-790-7206. Provide the payee's name, amount of check, date of check and check number. The account holder will be charged \$10.00 for each stop payment request. Stop payment orders are in effect for 6 months. Checks presented after the 6 month time frame will be honored.

Check Cashing – Citibank does not impose a cutoff time for cashing checks. However, the payee's bank may have time restrictions on when a check may be accepted.

Insufficient Funds – When a check is presented to Citibank for payment, if sufficient funds are not available to pay the check, the Citibank Client Account Manager contacts the CBC for approval to force the check. CBC then contacts the Agency Program Coordinator to review the account and make a decision on a temporary or permanent 30-day cycle limit increase. These steps eliminate the \$25.00 insufficient check charge to the government. Checks presented over the single purchase limit (not to exceed amount printed on the check) are not approved by the agency for a forced payment.

Request for Copies – Account holder may request a copy of a check by contacting Citibank. A copy of the check (front and back) will be faxed or mailed to the requester within four business days.

Check Re-Orders – Account holder may contact Citibank to request additional checks. There are 25 checks per book and six books per box.

Check Fees – Account holders are assessed a 1.25% fee titled "cash advance fee" on the billing statement. The separate line item checking fees are to be charged to the same accounting code as the accompanying transaction.

Check Numbering – All checks begin with Check No. 101. Each time checks are re-ordered, the numbers will be consecutive beginning with the next book of checks.

1099 Reporting – Check writers reconciling in CAMS are prompted to enter the name, address and TIN# of the payee where a service is provided by a vendor. Capturing the 1099 data is useful in year end issuance of 1099-M forms. Currently, CAMS does not issue the 1099s, however, a report can be generated for manual issuance. Check with your servicing Finance Office for guidance on 1099 reporting.

Oversight – Approving Officials must review the monthly statement for necessity and compliance with program guidelines. A cursory audit is performed by CBC on monthly

Convenience Checking transactions followed by dissemination of the transaction files to the Program Coordinators for 100% auditing.

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There are two separate Checking Programs in existence at DOC. Explained below, Finance had a great need for an alternate payment method when DOC Imprest Funds were liquidated in 1999. The Citibank Convenience Checking Program was a welcomed solution and DOC began issuing checks to Imprest Fund cashiers and their alternates.

In special situations, the checks are approved for “emergency salary advances.” At the close of FY 02, special high limit checking accounts were established for a point of contact at each NOAA Finance location as an emergency back up system when the CAMS system was down for three weeks. The checks remain in place as part of the NOAA COOP Plan.

During the 2000 decennial, the Bureau of Census was approved for use of checks to pay enumerators.

Checks Issued under Finance Program

DOC approved the use of Convenience Checks in 1999 when the decision was made to liquidate Imprest Funds. Under the auspices of the DOC Finance Offices, Convenience Checking accounts were set up for Imprest Fund cashiers. Additional accounts were established for back up cashiers. NOAA was the first bureau to participate in the program. Word of the program’s success brought about inquiries from other DOC bureaus and by 2001 all DOC bureaus had established checking accounts under the Finance Program.

The checks are utilized in accordance with the DOC bureau’s policy guidelines. Policy guidelines for NOAA can be found at http://www.rdc.noaa.gov/~casc/financial_pages/visamemo_checks.htm and http://www.rdc.noaa.gov/~casc/bankcard/imprest_fund.htm

Policy for the remaining DOC bureaus can be found on agency web sites or by contacting the Finance Office Program Coordinator for the Convenience Checking Program.

Checks Issued under Acquisitions (Purchase Card Program)

Under the Purchase Card Program overseen by Acquisitions, a limited number of accounts exist, with written justification and Office of Acquisition Management approval. Cardholders in the Purchase Card Program face restrictions in obtaining approval for the use of checks. Because of the 1.25% cash advance fee assessed to each check and the fact that checks are not EFT compliant, checks are issued to account holders on a case-by-case basis and only when proper justification and approvals are in place. HCOs/Program Coordinators must review 100% of transactions made with Convenience

Checks. Policy for approval and use of Convenience Checks under the Purchase Card Program is stated in the Commerce Acquisition Manual at

<http://www.casc.noaa.gov/bankcard/bankcard.html>

Click on Guidelines

Click on Commerce Acquisition Manual

Section 3.5 – Use of Convenience Checks

Agency Program Coordinators

	<u>Finance</u>	<u>Acquisitions</u>
OSEC	Sandra Kazimer	Frank Krempa
ITA	Sandra Kazimer	Robin Carpenter
EDA	Sandra Kazimer	Larry Frazier
Census	Pamela White	Karen Daniels
MBDA	Sandra Kazimer	Larry Frazier
NIST Gaithersburg	John McGuffin	Barbara Camp
NIST Boulder	Gary Schow	Carolyn Hedgpeth
NTIS	Larry Hurst	Barbara Camp
PTO	Michelle Picard	Muriel Brown
BIS HQ	Keith Schellhase	Larry Frazier
BIS CASC	Diane Locascio	Larry Frazier
BIS WASC	Leslie White	Larry Frazier
BIS EASC	Carolyn Collins	Larry Frazier
BIS MASC	Jo Shubert	Larry Frazier
NOAA HQs	Keith Schellhase	Larry Frazier
NOAA CASC	Diane Locascio	Sharon Webster-Tyson
NOAA WASC	Leslie White	Paul Spizzirri
NOAA EASC	Carolyn Collins	William Privott
NOAA MASC	Jo Shubert	Carolyn Hedgpeth
BEA	Meridel Jackson	Larry Frazier
NTIA Washington	Sandra Kazimer	Larry Frazier
NTIA Boulder	Gary Schow	Carolyn Hedgpeth
OIG	Sandra Kazimer	Frank Krempa
ESA	Sandra Kazimer	Larry Frazier
TA	Sandra Kazimer	Barbara Camp

Commerce Bankcard Center – 816-823-3847

Citibank Government Card Services – 1-800-790-7206